

This Instrument prepared by: Douglas R. Beaty, P.C., 5668 S. Rex Rd. #102, Memphis, TN 38119 (901) 680-0888

CONSTRUCTION DEED OF TRUST

This Indenture Made and entered into this 22nd day of April, 1999 by and between **SKIP HOBBS CONSTRUCTION, LLC**

of the first part, and **DOUGLAS R. BEATY, OF SHELBY COUNTY, TENNESSEE**
the second part.

Trustee, of

WITNESSETH: That for and in consideration of Five Dollars cash in hand paid by the party of the second part to the parties of the first part, and the debt and trusts hereinafter mentioned, said parties of the first part have bargained and sold and do hereby bargain, sell, convey and confirm unto the said party of the second part the following described real estate situated and being in DeSoto County, Mississippi, to-wit:

Lots 381, 406 & 408,* Section F, Plantation Lakes, The Plantation, in Section 22, Township 1 South, Range 6, West, City of Olive Branch, DeSoto County, Mississippi, as shown on plat of record in Plat Book 60, Pages 15-18, in the Chancery Clerk's Office of DeSoto County, Mississippi, to which plat reference is hereby made for a more particular description of said property.

* Phase 2

TO HAVE AND TO HOLD, the aforescribed real estate, together with all the hereditaments and appurtenances thereunto belonging or in any wise appertaining unto the said party of the second part, its successors and assigns, that they are lawfully seized in fee of the aforescribed real estate; that they have a good right to sell and convey the same; that the same is unencumbered,

and that the title and quiet possession thereto they, their heirs and personal representatives shall warrant and forever defend against the lawful claims of all persons.

But this is a Trust Deed, and is made for the following uses and purposes, and none other; that is to say: The said parties of the first part are justly indebted to BANCORPSOUTH BANK or the holder of the notes hereinafter mentioned, in the sum of THREE HUNDRED SEVENTEEN THOUSAND SIX HUNDRED AND 00/100 DOLLARS (\$317,600.00) Dollars, evidenced by THREE (3) PROMISSORY NOTES OF EVEN DATE IN THE TOTAL AMOUNT OF THREE HUNDRED SEVENTEEN THOUSAND SIX HUNDRED AND 00/100 DOLLARS (\$317,600.00), PAYABLE TO BANCORPSOUTH BANK, WITH INTEREST AND PAYABLE AS STATED IN SAID NOTE.

The parties of the first part desire to secure and make certain the payment of said notes, and of any and all renewals and extensions thereof. Now therefore, the parties of the first part agree and bind themselves that so long as any part of the indebtedness aforesaid shall remain unpaid, they will pay all taxes and assessments against said property promptly when due, and deposit all tax receipts with the said Trustee, will insure the buildings on said property for not less than \$ MARKET VALUE against fire in some insurance company or companies approved by the holder of the greater portion of the outstanding indebtedness secured hereby and cause said policies to be made payable to said Trustee, for the benefit of the owner of said indebtedness as his interest may appear, and deposit said policies with the said Trustee as further security for said debt, no responsibility for the approval or maintenance of insurance being imposed upon the Trustee; will protect the improvements on said property by proper repairs, and maintain them in good repair and condition; will pay such expense and fees as may be necessary in the protection of the property and the maintenance and execution of this trust, will not do anything or suffer or permit anything to be done whereby the lien of this deed of trust might or could be impaired. In the event of the destruction of the improvements by fire or other casualty, the net proceeds of the insurance shall be applied upon the indebtedness secured hereby in inverse order of its maturity, or at the option of the party of the first part, his heirs and assigns, such proceeds may be used to restore the improvements to their former condition.

The owner of any part of the indebtedness aforesaid may, at his discretion, advance and pay such sums as may be proper to satisfy taxes, maintain insurance and repairs, and protect and preserve the property, and such amounts so paid shall be held and treated as part of the expense of administering this trust.

If the said parties of the first part shall pay said indebtedness when due, and shall pay such sums as shall be necessary to discharge taxes and maintain insurance and repairs and the costs, fees and expenses of making, enforcing and executing this trust, when they shall severally be due and payable, then this conveyance shall become void, and the Trustee shall reconvey by quitclaim the property herein described at expense of said parties of the first part.

But if said parties of the first part shall fail to pay any part of said indebtedness, whether principal or interest, promptly when the same becomes due, or shall fail to pay any sum necessary to satisfy and discharge taxes and assessments before they become delinquent, or to maintain insurance or repairs, or the necessary expense of protecting the property and executing this trust, then, or in either event, all of the indebtedness herein secured shall, at the option of the owner of any of said notes and without notice, become immediately due and payable, principal and interest, and the said Trustee is hereby authorized and empowered to enter and take possession of said property, and before or after such entry to advertise the sale of said property for twenty-one days by three weekly notices in some newspaper published in Hernando, Mississippi, and sell the said property for cash to the highest bidder, free from equity of redemption, statutory right of redemption, homestead, dower, and all other exemptions, all of which are hereby expressly waived, and said Trustee shall execute a conveyance to the purchaser in fee simple, and deliver possession to the purchaser, which the parties of the first part bind themselves shall be given without obstruction, hindrance or delay.

The owners of any part of the indebtedness hereby secured may become the purchaser at any sale under this conveyance.

If the notes secured hereby are placed in the hands of an attorney for collection, by suit or otherwise, or to enforce their collection by foreclosure or to protect the security for their payment, the party of the first part will pay all costs of collection and litigation, together with attorney's fees of 10%, and the same shall be a lien on the premises herein conveyed and enforced by a sale of the property as herein provided.

MAY 21 2 46 PM '99

BK 1112 PG 742
W.E. DAVIS COUNTY

The proceeds of any sale shall be applied as follows: First, to the payment of the expenses of making, maintaining and executing this trust, the protection of the property, including the expense of any litigation and attorney's fees, and the usual commissions to the Trustee; second, to the payment of the indebtedness herein secured or intended so to be, without preference or priority of any part over any other part, and any balance of said indebtedness remaining unpaid shall be the subject of immediate suit; and, third, should there be any surplus, the Trustee will pay it to the parties of the first part, or order. In the event of the death, refusal, or of inability for any cause, on the part of the Trustee named herein, or of any successor trustee, to act at any time when action under the foregoing powers and trust may be required, or any other reason satisfactory to the owner of the debt, the owner or owners of the majority of the outstanding indebtedness aforesaid are authorized either in their own name or through an attorney or attorneys in fact appointed for that purpose by written instrument duly registered, to name and appoint a successor or successors to execute this trust, such appointment to be evidenced by writing, duly acknowledged; and when such writing shall have been registered, the substituted trustee named therein shall thereupon be vested with all the right and title, and clothed with all the power of the Trustee named herein and such like power of substitution shall continue so long as any part of the debt secured hereby remains unpaid. The parties of the first part, for themselves, their heirs, representatives and assigns, covenant and agree that at any time after default in payment of any of the indebtedness hereby secured, or upon failure to perform any of the covenants to be kept and performed by them, said Trustee may enter upon and take possession of said property, and shall be required to account only for the net rents received by him; and from and after the conveyance of said property under this deed of trust, the parties of the first part, and all persons under them, shall, at the option of the purchaser, be and become the tenants at will of the purchaser, at a rental of \$ _____ per month, commencing with the date of delivery of the Trustee's deed.

In the event that two trustees are named herein, either of the trustees shall be clothed with full power to act when action hereunder is required and the term "Trustee" shall be construed to mean "Trustees."

In the event that two trustees are named herein and the substitution of a trustee shall become necessary for any reason, the substitution of one trustee in the place of the two named herein shall be sufficient.

Wherever the word "Party" is used herein, it shall mean "Parties" if there are more than one person referred to and wherever pronouns occur herein, they shall be construed according to their proper gender and number according to the context of this instrument.

All erasures and interlineations were made before signing.

The necessity of the Trustee herein named, or any successor in trust, making oath or giving bond, is expressly waived.

Witness the signatures of the said parties of the first part this the day and year first above written.

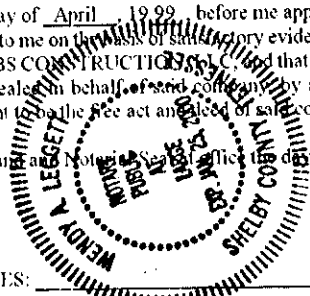
SKIP HOBBS CONSTRUCTION, LLC

BY: JAMES V. HOBBS, II, CHIEF MANAGER

STATE OF TENNESSEE, COUNTY OF SHELBY }

On this _____ day of April, 1999, before me appeared JAMES V. HOBBS, II, to me personally known (or proved to me on the basis of satisfactory evidence), who, being by me duly sworn (or affirmed) did say that he is the CHIEF MANAGER OF SKIP HOBBS CONSTRUCTION, LLC, and that the seal affixed to said instrument is the corporate seal of said company, and that said instrument was signed and sealed in behalf of said company by authority of its Board of Directors (or Trustees) and said CHIEF MANAGER acknowledged said instrument to be the free act and deed of said company.

WITNESS my hand and Notary Seal this day and year above written.



Notary Public

MY COMMISSION EXPIRES: _____

STATE OF TENNESSEE, COUNTY OF SHELBY }

Before me, the undersigned Notary Public in and for the County and State Aforesaid, personally appeared _____ with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, with oath, acknowledged to be the person _____ within named and that _____ he executed the foregoing instrument for the purpose therein contained.

Witness my hand and seal, this _____ day of _____, 1998.

Notary Public

MY COMMISSION EXPIRES: _____

Party Responsible For Payment of Taxes: _____

SKIP HOBBS CONSTRUCTION, LLC

Address: 7508 CAPITAL DRIVE #1

GERMANTOWN, TN 38138

FAWPDOCS\WAL\FATC\SKIPTOB

EXHIBIT "A"

TO DEED OF TRUST DATED APRIL 22, 1999

May 6 3 08 PM '99

BK 1108 PG 416
W.F. DAVIS CH. CLK

THIS IS A CONSTRUCTION LOAN AND SHOULD THE IMPROVEMENTS BE LEFT IN AN INCOMPLETE CONDITION AT THE TIME WHEN THE CONTRACT ACCORDING TO ITS TERM IS TO BE COMPLETE, OR IF COMPLETED SUBJECT TO ANY UNPAID BILLS FOR LABOR OR MATERIAL, SUCH CONDITION SHALL CONSTITUTE AN EVENT OF DEFAULT AND THE ENTIRE SECURED INDEBTEDNESS SHALL IN THAT EVENT BECOME ACCELERATED AND MATURE FOR THE PURPOSE OF FORECLOSURE AT THE OPTION OF THE HOLDER WHO SHALL NOT BE REQUIRED TO GIVE ANY NOTICE OTHER THAN THE ADVERTISEMENT FOR FORECLOSURE PROVIDED HEREIN.

IT IS UNDERSTOOD AND AGREED THAT THE LIEN OF THIS DEED OF TRUST SHALL HAVE PRIORITY AT ALL TIMES OVER ANY AND ALL MECHANICS, FURNISHERS AND MATERIALMEN'S LIENS AND MORTGAGEE AND/OR HOLDER OF THE NOTE(S) DOES NOT CONSENT TO ANY CONTRACT FOR LABOR OR MATERIALS WITHIN THE MEANING OF SECTION 66-11-108 OF THE TENNESSEE CODE ANNOTATED. IT IS STIPULATED AND AGREED THAT NO CONTRACT FOR LABOR OR MATERIAL WILL BE LET BY BORROWER EXCEPT WITH THE EXPRESS STIPULATION THAT THE MECHANIC'S AND MATERIALMEN'S LIENS THEREFORE SHALL AT ALL TIMES BE SUBORDINATE TO THE LIEN OF THIS DEED OF TRUST.

THIS DEED OF TRUST IS A MORTGAGE WHICH SECURES OBLIGATORY FUTURE ADVANCES FOR COMMERCIAL PURPOSES, AND IS ENTITLED TO THE BENEFITS OF T.C.A. SECTION 47-28-101 THROUGH 47-28-110.

THIS IS A CONSTRUCTION MORTGAGE AS DEFINED IN T.C.A. SECTION 47-9-313.